

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Parks and Recreation	(2) MEETING DATE 3/8/2016	(3) CONTACT/PHONE Larry laquinto 781-5209	
(4) SUBJECT Request to amend the existing concession contract with Rocky Mountain Recreation Company for the management of the Santa Margarita Lake Park marina. District 5.			
(5) RECOMMENDED ACTION It is recommended that the board approve amending the existing concession contract with Rocky Mountain Recreation Company for the management of the Santa Margarita Lake Marina concession operations at Santa Margarita Lake Park to extend the start-up through December 31, 2016.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>10-27-2015</u>	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) District 5			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Parks and Recreation / Larry Iaquinto
781-5209

DATE: 3/8/2016

SUBJECT: Request to amend the existing concession contract with Rocky Mountain Recreation Company for the management of the Santa Margarita Lake Park marina.

RECOMMENDATION

It is recommended that the board approve amending the existing concession contract with Rocky Mountain Recreation Company for the management of the Santa Margarita Lake Marina concession operations at Santa Margarita Lake Park to extend the start-up through December 31, 2016.

DISCUSSION

The County Parks and Recreation Department maintains and operates Santa Margarita Lake Park (SMLP) under a lease agreement with the Department of the Army, owners of the Salinas Dam and Reservoir Area. The County has leased the area from the Army since 1956. The Santa Margarita Lake Park Marina is part of the oversight of the Parks and Recreation Department and is managed by a concession contract for the operations of the marina including food, supplies and boat rentals for park users.

On October 27, 2014 the Board of Supervisors approved a concession contract with Rocky Mountain Recreation Company (RMRC) for the management and operation of the Santa Margarita Lake Marina concessions. RMRC has proven to be a qualified concessionaire that comes to the county with an abundance of experience. As part of the approved concession contract (Attachment 1), fees paid to the county by the concessionaire were waived for the first year of the contract (start-up period) since RMRC had to commit a large investment toward financing the improvements at the facility and purchase several boats to provide the required services to the public. It took several months before the concessionaire was able to complete repairs, perform upgrades to the building and provide an inventory of ample boats to the marina. The concession was not fully operational until March 2015.

Since that time there has been reduced activity at SMLP due to the drought and the inability to launch watercraft for the past 8 months. Attendance at the park has been heavily affected by the lake level since fishing is one of the primary reasons patrons visit the park. Staff is currently assessing other revenue generating concepts for SMLP that will help bring more awareness and attendance to this beautiful facility. In the interim, since the concessionaire has had to invest hundreds of thousands of dollars into the operation of this facility and hasn't had an opportunity to re-coupe on their investment due to current conditions at SMLP, staff is seeking to extend the start-up period through December 31, 2016 as per the First Amendment to the SMLP marina contract (Attachment 2). This will allow the new concessionaire time to begin a re-coupe of their initial investment and continue to provide service to park users. Due to the lack of attendance as a result of the drought and inability for anglers to launch watercraft at SMLP, it would be difficult for the concessionaire to continue with their operation of the marina facility without an extension of the start-up period.

OTHER AGENCY INVOLVEMENT/IMPACT

The Parks and Recreation Department and County Counsel reviewed the original concession contract agreement as to form and legal content. The Parks and Recreation Department, County Administration and County Counsel reviewed this amendment as to the content and financial considerations as they apply to the proposed amendment.

FINANCIAL CONSIDERATIONS

There are no expenditures necessary by the Parks and Recreation Department for the implementation of the proposed concession contract amendment for the SMLP Marina. However as per the existing contract, the Parks and Recreation Department was scheduled to receive \$14,400 this calendar year in fees from the current SMLP Marina concessionaire, RMRC. It is anticipated that without an opportunity to re-coupe some of their initial investment that RMRC will have a difficult time remaining in business due to the severe drought conditions at the park. Beginning January 1, 2017 RMRC will begin payments to the county totaling \$14,400 per year adjusted annually as per the Consumer Price Index beginning in year three of the contract.

RESULTS

Approval of the amendment to the existing concession contract between County Parks and Rocky Mountain Recreation Company will allow the concessionaire to re-coupe some of their initial large investment and provide the services desired by the community. Providing quality concessions allowing for diverse recreational opportunities at Santa Margarita Lake Recreation Area supports the Board's goals of providing a healthy and livable community.

ATTACHMENTS

1. SML Concession Contract
2. SML First Amendment Concession Contract
3. SML Site Map